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DEPARTMENT OF STATE  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

MEMORANDUM OF CONVERSATION

Date of Meeting: October 23, 1970

Place: Mr. Morris' Office

SUBJECT: Agency Cost Sharing: Medical and Refugee  
Supplies and Services

REFERENCE: Draft Memcon concerning meeting of Sept. 30, 1970, Subject:  
same as above.

PARTICIPANTS: GC/EA, Herbert E. Morris; GC/EA, Stanley B. Kay;  
CIA/GC, [ ]

DISTRIBUTION: Participants; AA/EA, Mr. Willard H. Meinecke;  
GC, Mr. Robert T. Wray; EA/SEA, Mr. Victor Morgan;  
EA/DP, Mr. Charles H. Breecher; A/CONT, Mr. James  
Williams; USAID/Laos, Mr. Charles A. Mann (2)

The purpose of this meeting was to pursue further the legal question raised in the meeting of September 30, 1970, recognizing that there were many policy issues involved as well. [ ] expressed his opinion that the United States Government was not furnishing assistance to the military establishment inasmuch as the units involved were para-military rather than part of the military establishment. Moreover, the type of assistance that was being provided to the dependents of these tribesmen appeared in [ ] opinion to be more clearly economic than military assistance. He wondered whether, given the fact that the assistance was to para-military rather than the regular military, [ ] funds would not be the appropriate source for funding.

Mr. Morris replied that although there may conceivably be elements of both economic and military purposes to be served in the type of assistance involved here, it was important in answering [ ] question to look at the primary purpose of the assistance provided; i.e. if the primary purpose of the funding was to serve a military purpose, although there were elements of economic assistance involved, then it would be the type of assistance which, under the General Counsel's interpretation of A.I.D. legislation, we would not be able to fund. Moreover, Mr. Morris also pointed out that the Agency has not viewed the form and organization of the recipient as determinative in resolving the question of the primary purpose of the assistance. Thus, if the basic purpose of the assistance involved here (both to para-military and dependents) could reasonably be described as

DRAFTING OFFICER: GC/EA, Stanley B. Kay *ABK*

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military, the fact that it was provided to para-military units operating outside of the control of that military establishment was not decisive.

Mr. Morris also said that from "the record" he is aware of, it does not appear that the operators within the Agency have ever come to a conclusion other than that the primary purpose for aiding these tribesmen is military rather than economic. As an example, Mr. Morris pointed out a letter from Mr. Gaud to then Secretary McNamara, dated November 18, 1967, wherein the type of assistance involved was assumed to be for military purposes.

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N [ ] was also concerned that even if the CIA or DOD were to assume the cost involved, the Geneva accords would prevent them from sending any personnel into Laos to administer this assistance. Mr. Morris pointed out that there would be no difficulty in having A.I.D. personnel continue to administer this type of assistance since 31 U.S.C., §681(b) would allow the other agencies to set up a funding arrangement with A.I.D. whereby A.I.D. could continue to administer the program through its mission in Laos. This was now being done with regard to DOD-funded rice and the R.O. costs.

Mr. Morris pointed out that the Agency desired to have the CIA pick up these costs during the current fiscal year although they have already been included in A.I.D.'s current budget. Mr. Morris pointed out that the problem was sure to be precipitated this year by the issuance of the report discussed at the last meeting and during the next fiscal year because it is his understanding that the Agency now plans to drop this assistance from its FY 72 budget request.

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[ ] requested a copy of the Gaud letter mentioned above, which has now been sent on to him.

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